

GRAFT ACCUSER'S STORY OF ATTACK JEERED BY POLICE

East Side Boy Orator Schlacht
Fails to Show Injuries
From "Blackjack."

STILL TELLS THRILLER.

Record Shows Wild State-
ments of Pushcart "Collec-
tions" Were Disproved.

Henry H. Schlacht, self-appointed head of the East Side Protective Association, says that the police do not show enthusiasm in running down the mercenary who, late yesterday afternoon, gagged and blackjacked him in a dark office at No. 1 Avenue B and carried away startling evidence of police grafting on the pushcart peddler which he was about to submit to the Aldermanic investigating committee.

The police say, with scarcely veiled smiles, that they do not waste their enthusiasm on the dreams of east side boy orators.

"Mayor Gaynor just loves me," Schlacht said to an Evening World reporter today at his home, No. 28 Rivington street, "and President Taft has written to me enthusiastically commending my reforms among the east side people. Just feel my law, here, where the man who stole the evidence of police grafting last evening kicked me after he had blackjacked me on the head."

REFUSED TO LET DOCTOR
EXAMINE "WOUNDS."

There were no evidences of licks on the reformer's jaw nor of blackjacking on his skull. Physically, at least, he seemed normal. The absence of any signs of violence on Schlacht's person recalled the circumstance that he refused to see a doctor or be removed to a hospital after he had been "discovered" gagged and blackjacked.

Deputy Commissioner Dougherty reported to Commissioner Waldo today that investigation by Headquarters detectives disclosed evidence that Schlacht "was examined" by a doctor, but no evidence was secured which would verify any of his statements. Schlacht, said Dougherty, had sent a report of his "assault" to the newspapers before he made a complaint in the Union Market station.

The records of the Union Market Station show that at 4:30 o'clock Henry H. Schlacht, eighteen years old, reported to a person to the desk lieutenant that at 5 o'clock he had been knocked in the face by an unknown man and gagged. Harry Feldstein also reported that he had found Schlacht lying unconscious on the floor with a headband stuffed in his mouth and a blanket over his head.

Deputy Police Commissioner Walsh yesterday postponed until Friday of next week the taking of further testimony in the case of Policeman John J. Shelly, accused by Mrs. Goode of being a grafter. He also put over until the same time the case against Policeman Eugene Fox, who was arrested on the charges made before the Aldermen by George A. Sipp, and was discharged from custody by Magistrate Karathan because the police, after a "week's search," could not find Sipp.

Schlacht gave today a dramatic account of how he had uncovered a wholesale blackmailing conspiracy against the pushcart peddlers of the east side and named the president of one of the pushcart men's associations, a man prominent on the east side, as the "collector" who turned over money to the inspector of the district.

He had taken the testimony of witnesses who said they had paid over to the individual the money assessed upon the members of the pushcart association, and who had gone with this "collector" to the office of the inspector in the Eldridge street station.

DECLARED "COLLECTOR" VISITED INSPECTOR IN OFFICE.

"The collector" would go inside the inspector's room, Schlacht said, these witnesses had told him, and he would come out again and say, "It is all right." Then those who accompanied the collector would know that everything was all right and the money had been paid.

When he was pinned down by questioning the boy orator and reformer admitted that he had no single bit of evidence to prove that money was collected from the pushcart peddlers. It was turned over to the inspector in the Eldridge street station. He said he was "morally certain" that such was the case.

Headquarters knows that Schlacht's boundless enthusiasm as an uncoverer of police graft is only equalled by his inability to secure evidence. He appeared at Headquarters a short time ago and offered to submit evidence of police grafting. Commissioner Waldo turned him over to Deputy Commissioner Dougherty and Capt. Porter of Deputy Commissioner McKay's staff. Dillon, Chief Inspector Schmitzberger and Porter examined him.

Schlacht told them the same story he repeated to The Evening World reporter today and when asked for corroborative evidence of even witnesses, these witnesses were summarily dismissed.

SEVEN "WITNESSES" ALL DENIED STATEMENTS.

Each of the seven denied without reservation every statement attributed to them by the juvenile reformer, denied that they knew anything of police graft among the peddlers, or that they had ever told Schlacht they knew of such conditions. His statements were not verified in any particular.

Schlacht said last night that during the course of that interview he had questioned Chief Inspector Schmitzberger in connection with the graft and that the chief inspector, shaking his fist in his face, had roared that "there will be something done between you and me."

NEW GRAFT WITNESS WHO TELLS OF ATTACK AND STOLEN EVIDENCE.



HARRY H. SCHLACHT.

SIPP NOW DECLARES "FRAME-UP" PLOT IS KEEPING HIM AWAY.

Friends of George A. Sipp, the former Harlem Raines law hotel proprietor, who disappeared soon after giving the Aldermanic Committee important evidence of police grafting, explained his continued absence by saying he had learned of a police plot to "frame up" a felony charge against him.

Sipp was located in Newark a few days ago. He told a friend that certain men of Inspector Sweeney's staff had persuaded a hostler and buggy washer in a Harlem stable to tell a story that would be sufficient to cause Sipp's arrest. As a result, Sipp is keeping away.

A court charge of bribery against Policeman Eugene Fox was dismissed because of Sipp's absence and the police trial of Fox has been adjourned another week because of it.

DECLARES MAIER IS BEING BADGERED.

William E. Murphy, attorney for David Maier and Charles Dubeller, who have been held for trial on a charge of having bribed a witness to discredit Mary Goode's grafting charges against the police, complained yesterday to Commissioner of Correction Whitney that Assistant District Attorney Groh had been abusing the privileges of his office in trying to get a statement from Maier. Maier is still in the Tombs, while Dubeller is out under \$1,500 bail.

Four attempts have been made since the first of this week to get Maier out on bail. In every instance the security offered for him has been repudiated. The District Attorney's office has heard that Maier is growing angry over his continued stay in jail, and it is thought that in a few days more he may "squeal."

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NURSE DEAD A WEEK WHEN FOUND IN HOME.

Miss Chappelle, Stricken in Flat-
bush Residence, Had Gaynor
Family Among Patients.

Coroner's Physician Pabst of Brooklyn and Detective McDonald investigated today the death of Miss Eva Chappelle, one of the best known graduate nurses of Brooklyn, whose body was found in the kitchen of her apartment at No. 653 Leimster place, Brooklyn, last evening. They were advised that Miss Chappelle died of heart disease a week ago this afternoon when alone in the house.

Miss Chappelle, who was a favorite in the family of Mayor Gaynor and other Park Slope households when there was sickness, had been with a patient, Mrs. Henry Kowler, at No. 106 Buckingham road, until Saturday afternoon. She then complained of feeling ill and went home, first visiting her sister, Mrs. Pinter, at No. 161 Seventy-third street.

Mrs. Grace Stuydam, a neighbor, worried because the lights in Miss Chappelle's apartment had not been extinguished for a week, entered last evening and found the body.

Miss Chappelle was born in England, educated at Paris and graduated as a nurse from the Long Island College Hospital.

M'CARTHY HELD AS "KING" OF THE COCAINE SELLERS.

Police Say He Is General Agent for
Wholesaler of Apparent
Respectability.

"Jimmy" McCarthy, who, the police say, is known on the west side fringe of the Tenderloin as "The Coke King," waived examination today before Magistrate Kruel on the West Side Court and was held in \$1,000 bail for trial on the charge of cocaine selling.

When McCarthy was arrested last night in Eighth avenue, between Forty-third and Forty-fourth streets, he had five packages of the "three snuff" in his hand and eighteen more in his pocket. Detectives Cleary and Logan said they had seen him dispose of two others. Shortly after McCarthy's arrest the detectives picked up Edward Cassidy, twenty-four years old, of No. 64 West Forty-third street, on the same charge.

The police say that McCarthy, who is thirty and lives at No. 64 Ninth avenue, is general agent for a wholesale dealer of apparent respectability against whom they are seeking evidence. "Coke" salesmen in the White Light district and on its edges, they say, have worked "on commission" under McCarthy's direction.

ARSON'S GROWTH BLAMED ON THE INSURANCE MEN

Expert B. M. Holden Declares
the Companies Fear to
Investigate Claims.

NO QUESTIONS ASKED.

Honest Policyholders Made to
Pay Losses Arising From
Firebug Industry.

Blame for the growth of arson and the increased number of fraudulent claims which are paid annually by insurance companies is placed directly on the companies themselves by Benedict M. Holden, a lawyer at No. 111 Broadway. The burden of the increased number of losses paid falls directly upon the individual policyholders, who must pay high rates accordingly.

"Six months of concerted effort upon the part of the companies to put the firebugs and makers of false claims out of business would result in reducing insurance rates about one-half," said Mr. Holden today. He is counsel for the General Adjustment Bureau, an organization of special agents of the principal fire insurance companies, and is regarded as an expert in insurance cases.

"Present rates are high because the companies persist in regarding every policy as a liability to its full face value and because they fail to resist nine out of every ten suspicious cases for fear of obtaining a reputation for fighting claims."

"The spinster companies are to blame for the conditions in New York today," said Mr. Holden. Incidentally, he said he did not think Fire Commissioner Joseph Johnson overstated the situation when he asserted twenty-five per cent. deliberate arson is being done in the number of cases where false claims for insurance are made through large policies being obtained on small quantities of household goods, or where household goods are moved out prior to the blaze. I would say his figures are most conservative."

ADVOCATES A FIGHT AGAINST
INSURANCE SWINDLERS.

Mr. Holden believes if insurance companies would start a fixed and determined policy toward those who set fire to their houses and household goods in order to obtain the insurance, the number of cases would be greatly and promptly reduced.

"But they won't do it," he said. "Ninety per cent. of the smaller losses reported to them are paid in full or in part practically without an investigation worthy of the name. They are afraid to get the reputation of being companies which carefully scrutinize claims before they are presented. They are continually confronted by agents who plead they cannot get business if the company is going to hold up every claim for careful examination, and with these agents representing five or six companies and willing to give the business they get to those willing to pay the quickest and with the least red tape, they are at a disadvantage."

"These companies sticking to a policy of this sort do not realize they are bringing an indictment against every honest holder of one of their policies. The honest holder is a partner willing to share the loss with the swindler. But he wants it for every other claim, too. He wants to know that his company is not compelling him to carry incendiary losses through its high rates while it is digging into the authenticity of his claim."

"But the insurance companies are afraid of the whole question of resistance. They are afraid to set the name of resisters and they are afraid to go into court and resist. They have an idea they cannot set a square deal in a courtroom against a man who has made a claim for loss by fire."

"That position on the part of the companies is absolutely untenable. I know from my own experience in trying insurance cases and from the experience of other lawyers that an insurance company as a litigant has a much better chance before a court and jury than most of the big insurance corporations."

ELIMINATE INDEPENDENT ADJUSTERS.

"How is the problem to be solved?" Mr. Holden was asked. "By decisive action on the part of the insurance companies and the elimination of the independent adjusters—those who seek to represent citizens who have sustained loss by fire. No one needs an adjuster. You will obtain just as much from the company direct as you will all the aid of an adjuster, and in addition you will have to pay him a fee."

"But the companies have got to make a complete change in their policies. They must cease regarding an insurance policy as a liability. Right now they figure on every policy as being a 100 per cent. loss, and only under the rarest and most unusual circumstances do they ever have to pay anything like the face value of the policy."

"What about the demand for pre-inspection imposed upon by Mayor Gaynor and Commissioner Johnson at the opening of the 'arson exhibit'?" Mr. Holden was asked. "It is a good one. If it costs too much to make these inspections the company shouldn't write those policies. They owe it to their other policyholders. They should have an inventory of all the household goods or other stuff covered by every policy. They should inspect these goods and the books and papers of every person protected against fire. They have the right now, but it is not used in 10 per cent. of the policies now in force. The companies are afraid—they don't dare be too severe because some of their rivals are lenient."

Five Manhattan Men A-One.

ELVA, Portugal, Jan. 4.—One person was killed and nine seriously injured yesterday by a group of five terrified maniacs who had been released by firemen from an insane asylum in the outskirts of this city which had caught fire. They had secured some iron rods from a stove heap and attempted to use them.

TAXICAB REFORM IN LONDON BASED ON MILEAGE RATES

That Is the Solution of the
Problem There as Well
as in New York.

GASOLINE RATES UP.

Cause of the Strike of the
Drivers in the Big City
Across the Water.

By Sophie Irene Loeb.

Five thousand taxicab drivers in London quit work as the result of the raising of gasoline rates which they are compelled to pay by the companies comprising the London Motor Cab Proprietors' Association. The rate by which the men were to pay for gasoline at 16 cents a gallon was fixed last March, and the companies agreed to give them gasoline at this price.

Now they have raised it to 26 cents a gallon, which would naturally be a hardship on the drivers who receive 25 per cent. of the takings. The drivers want the owners to pay for the gasoline.

It would seem that the cab proprietors hope to raise the taxicab rates in London, which they have several times tried to do; but every investigating committee appointed by Parliament has found it undesirable. It has been the effort for a long time by the London cab owners to raise the rates even four cents per mile, resorting now to the present point of putting burdens on the drivers. This would make the London rate only 20 cents a mile, as compared with 30 and 40 cents in New York.

The recent hearings on the New York taxicab question developed the fact that the companies would not voluntarily lower their rates from 20 cents and 30 cents per mile, claiming that the city did not even have the right to lower those rates a penny.

The contrast is then certainly painfully noticeable. When I talked with Mr. Albert E. Hughes, secretary of the London Motor Cab Proprietors' Association, in my recent taxicab investigations in London, he said:

"I cannot understand why you cannot have twice as many taxicabs in New York at half your rates with profit to your companies. For three years we have been trying to get less than half your rates without success. The Government decides against us. Only as late as last June Mr. Winston Churchill's committee, which has gone into the investigations of both owners and drivers, recommended the rates were just for all parties concerned, and now we would be pleased if we could get only four cents more on just the initial rate—16 cents."

"In deciding against us the committee, after investigation, made points which proportionately must apply to any city of similar size, such as New York City. The complete revolution of rates here is but a matter of five years."

AGREEMENT BETWEEN OWNERS
AND DRIVERS.

Mr. Hughes then gave me his report of his association, as a result of the findings of the investigation committee, with chief claims agreed to by owners and drivers as follows:

"On the assumption that the existing fares remain unaltered.

"The extras to belong to the drivers.

"The drivers' proportion of taking to be 15 per cent.

"No rank or station charges to be allowed by the employers.

"The employers to supply the drivers with gasoline at a fixed price of 16 cents per gallon for the current year and either to allow mileage at the rate of a gallon for eighteen miles or to give half a gallon per free.

"In the event of the price of gasoline varying more than 12 per cent. on Jan. 1, either party may bring the matter before the Conciliation Board hereinafter mentioned, who shall vary the price to be charged to the drivers for the ensuing year, so that as nearly as may be it may bear the same relation to the average price at which the employers have contracted for their gasoline as 16 cents per gallon bears to the present average contract price."

The violation of the last item presumably is now the cause of the present strike. Further, many small concessions were decided between owners and drivers for the economic good of the even to the point of the price that the drivers should pay for legging, and to what clothes the owners should furnish the drivers. That the adjustments were satisfactory to all parties concerned the report further says.

The reference to the court was "without prejudice to either party being entitled to show that 'improvements' might be expected if a change in fares either by increase or decrease were made." The Departmental Committee of 1911 on Taxicab Fares reported against an alteration of the tariff, and the court, not wishing to be misled by the Secretary of State to deal with the subject, considered that it could not properly make an award increasing or decreasing the fares or do anything more than report any evidence received on the matter. The representatives of the parties, on being informed of the decision, no such evidence, however, was presented to the committee with the Home Office if they considered it necessary."

COULDN'T SHOW CAUSE FOR
RAISING RATES.

Thus it will be seen that the companies, at that time, could not show any reason why their state of business was unjustified raising of rates. That London is trying to continue systematically their system to a point of high economic depravity for drivers, owners and public is further accentuated by this strike, and expressed in the above deduction of the same report.

News Oddities

Senator Bailey made good.

Auto trucks are to banish the army mule.

Price of gasoline has gone up another cent.

A suffragette has proclaimed herself a candidate for President of France.

At a fire in St. Louis a woman saved her pet dog and forgot \$1,000 in jewels.

"Recognizing" China will be harder than ever when she gets on her new clothes.

Cat that figures in all the shipwreck stories is on exhibition at Madison Square Garden.

King Victor Emmanuel of Italy is the only monarch in the world who has the right to vote.

Mr. Murphy will likely be content to have Gov. Sulzer lead the procession if he can drive the supply wagon.

William the Silent "surrendered" to the Pale Committee in time to save straining his voice calling for help.

Package of two dozen eggs was shipped by parcel post from one Delaware town to another. Chickens arrived.

Roof of the Baltimore jail was blown off in the storm, but the sixty prisoners were literally too frightened to escape.

TEMPERANCE, Kan., Jan. 4.—The Water Wagon is reported here to be running smoothly with no signs of a breakdown. Many passengers are on board, a considerable percentage strapped to their seats. Everybody seems well and happy. No attempts at escape, so far as known, have yet been made.

At last night's Assembly ball in Philadelphia the women didn't stay to dance. In other words, corsets were not worn.

In West Middletown, Pa., a coffin slipped into an open grave at the bottom of which a grave digger was at work, killing him instantly.

Thousands of dandelions that look like 50 gold pieces scattered in a field of greenbacks are blooming on John D. Rockefeller's lawn at Pocantico Hills.

now that the companies want to raise the gasoline to 26 cents per gallon, in contrast to the price paid here for gasoline, it is evident that though the drivers have been satisfied with the adjustment of the investigating committee, this raise would jeopardize their business and put a hardship upon them which, in lieu of the low rate of 16 cents per mile as the basis of their earnings, certainly presents some semblance of justice for their demands.

The last investigating committee appointed by Mr. Winston Churchill, after adjusting the various points between owners and drivers, stated that still further concessions might result in the future and that the question was by no means entirely settled, saying:

"While the recommendations touch the points at present in controversy, the committee emphasize their opinion that sooner or later a change to the mileage system is required in order to procure the best results for the London taxicabs, and their conversion of the arrangements between owners and drivers to a mileage basis should be kept in view as the ultimate solution should further question arise."

"Mileage Rate." It appears to the committee that the solution of many of the difficulties between the owner and the driver would be overcome by the institution of a fixed rate per mile with a minimum gross mileage averaged over a week's run, that is, that the driver would pay to the owner as much for every mile recorded, whether waste mileage or engaged mileage, and subject thereto would keep for himself the entirety of his takings.

"For obvious reasons it would be necessary for the owners to insist upon being paid for a minimum mileage, but the driver would be entitled to the full seven-day week in which to make up his mileage if he chose."

"One small proprietor at least at present loans out his cab at a fixed mileage of 9 cents per mile, though it by no means follows that this rate is the correct one."

FIXED MILEAGE RATE MORE
SATISFACTORY.

"The committee believe that eventually a fixed mileage rate is likely to be more satisfactory to all parties concerned. It would instantly eliminate the lazy driver and would enable two friends working together to work alternately one cab to its economic capacity; while it would give to the successful and hardworking cab driver a full return for his assiduous work. There would seem to be no essential difficulty in arriving at a proper charge per mile, which would have to vary according to the season."

Therefore, in considering the present condition of taxicabs in London when even the immediate strike would lean toward an equality basis of earnings for all concerned which will tend to result in the best good for the public must be regarded here with interest to say the least. For, the whole taxicab business.

Bank Reserve \$13,554,550.

The statement of the actual condition of Clearing House banks and trust companies for the week (five days) shows that they hold \$13,554,550 reserve in excess of legal requirements. This is an increase of \$7,467,960 from last week.

Found Dead at Friend's House.

John O'Hare, fifty-seven years old, of No. 37 East One Hundred and Thirtieth street, a laborer, was found dead in bed this morning at No. 314 East Twenty-sixth street, where he had spent the night with friends.

James McCreery & Co.

34th Street 23rd Street

The following

SEMI-ANNUAL SALES

Commencing Monday, January the 6th

The Remaining Stocks of Wearing Apparel for

Women, Misses, Juniors and Little Children

At Pronounced Reductions

FINE FURNITURE & RUGS

Furniture from 10 to 50% less than usual prices

Rugs at Greatly Reduced Prices

34th Street 23rd Street

The John Wanamaker Store

Formerly A. T. Stewart & Co.
Broadway, Fourth Avenue, Eighth to Tenth Street.

U.S. PARCEL POST STATION 102

JOHN WANAMAKER, NEW YORK

At the Regular Post Office, Main Floor, Old Building.

Full information concerning the new Wanamaker Free delivery by Parcel Post—including a reproduction of the Official Parcel Post map for shipments from New York City, will be given upon request.

Hartford Saxony Rugs

Beginning Monday, We Offer the First of the Semi-annual Disposals of Discontinued Patterns in these Splendid Rugs, at Twenty-five Per Cent. Below their Usual Prices

The Hartford Saxony rug needs no introduction. It is called the American Oriental, because of its soft colors and designs and its beautiful, durable texture. It is the best wool floor covering, for either private homes or public places, made in this country.

The 624 Hartford Saxony rugs offered in this disposal are all fresh from the mills—the last of them coming in as this is written. The patterns and colors nearly all reproduce the finest old Oriental rugs, and it would puzzle any one but the mill directors to discover any good reason for their discontinuance.

Size	Regular Price	Sale Price	Size	Regular Price	Sale Price
8 1/4 x 5 ft.	\$8.50	\$6.38	8 x 15 ft.	\$25.00	\$18.75
8 1/4 x 4 1/2 ft.	5.00	3.75	4 1/2 x 7 1/2 ft.	18.75	14.06
8 x 8 ft.	5.00	3.75	6 x 9 ft.	30.00	22.50
8 x 8 1/2 ft.	7.50	5.63	8 1/4 x 10 1/2 ft.	43.00	32.25
8 x 6 ft.	8.50	6.38	9 x 12 ft.	50.00	37.50
8 1/4 x 9 ft.	11.25	8.44	9 x 15 ft.	67.50	50.63
8 1/4 x 12 ft.	16.00	12.00	10 1/2 x 12 ft.	67.50	50.63
8 1/4 x 16 ft.	18.75	14.06	10 1/2 x 15 1/2 ft.	77.50	58.13
8 x 9 ft.	15.75	11.81	11 1/2 x 12 ft.	67.50	50.63
8 x 12 ft.	18.50	13.88	11 1/2 x 15 ft.	85.00	63.75

Twenty-four Odd Size Hartford Saxony Rugs at 1/2 Price

Special widths and lengths suitable for halls and offices. These special sizes range from 2 ft. 3 in. x 3 ft. up to 13 ft. 6 in. x 24 ft., and in price from \$2.65 to \$112. Formerly double.

Fourth Gallery, New Building.

Sale of Hurt Books

Hurt Mostly in Price

Thousands of our books during the holidays become slightly soiled, thumb-marked or scuffed. Not seriously hurt, but below our high standard—therefore offered considerably price-reduced.

This sale is an annual event which book buyers look forward to for genuine book-buying economies. The price we pay for doing the largest book trade in America is the greatest number of books we must offer in this sale which is, however,

The Book Buyers' Opportunity

These so-called "hurt" books are hurt more in price than in condition. They are too many in number to be listed; but they cover every phase of book interest; recent novels, classic and standard fiction, history, biography, science, political economy, sociology, travel, religion, juveniles and books for young children.

Also large selection of book inserts and together, a collection of French and German books which are hurt mostly in price. Main floor, Old Bldg.

Important Announcement!